

FISCAL IMPACT STATEMENT ON BILL NO. **H.3673, as Amended**

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TO:	The Honorable Robert Harrell, Chairperson, House Ways and Means Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Bryce Wilson		
DATE:	May 2, 2005	SBD:	2005450

AUTHOR:	Representative Kirsh	PRIMARY CODE CITE:	59-101-610
SUBJECT:	Public Institutions on Higher Learning		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
See Below

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
See Below

BILL SUMMARY:

This Bill would amend the Code of Laws so as to re-instate several of the higher education regulatory modifications that were struck from Act 187 of 2004 with the Supreme Court ruling on January 28, 2005. This Bill also provides for alternative criteria for the Palmetto Fellows Scholarships.

EXPLANATION OF IMPACT:

Part I

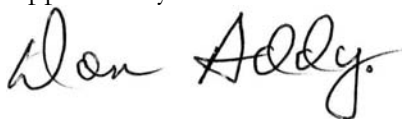
The State Board for Technical and Comprehensive Education and Commission on Higher Education each indicate the impact associated with this part to be minimal and could be absorbed within existing resources.

Part II

The Commission on Higher Education (CHE) estimates the impact of the alternative criteria for the Palmetto Fellows Scholarships to be \$1,174,700 annually. This is for the two scholarship qualification additions. The first alternative specifies that if the top six percent of the class is not a whole number of students, CHE shall round up to the next whole number the number of students in determining Palmetto Fellows Scholarship eligibility. CHE identified 627 additional students eligible for the Palmetto Fellows award based on this criterion. However, since each of these students met the criteria for LIFE, the potential impact can be estimated at \$1,065,900 (difference between Palmetto Fellows and LIFE awards of \$1,700 x 627).

The second alternative allows students to qualify for the Palmetto Fellows award by scoring 1400 on the SAT and earning a 4.0 on the uniform grading scale at the end of their junior year without considering class rank. Based on Fall 2004 data, CHE determined that 64 students who received LIFE awards would have qualified for Palmetto Fellows awards. The estimated fiscal impact for this criteria change would be \$108,800 (\$1,700 x 64). The impact on the General Fund of the State is at the discretion of the General Assembly. State General Funds and/or Lottery revenue may be used to cover the additional costs.

Approved by:



Don Addy
Assistant Director, Office of State Budget